

**STATE SENATOR • DEBORAH CHERRY • 26TH DISTRICT**

# Cherry Press Release

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## **Cherry Introduces Legislation to Rollback Insurance Rates**

*Legislation protects consumers and forces accountability*

LANSING – State Senator Deb Cherry (D-Burton), along with other members of the House and Senate Democratic Caucuses, today introduced legislation to address the rising cost of insurance in Michigan. The multi-part package will lower the cost of insurance, strengthen consumer protections and improve industry accountability.

“Affordable, reliable insurance is a critical part of our families’ financial security,” said Governor Jennifer M. Granholm. “I am hopeful that legislative leaders will schedule quick action on this important package.”

The Democratic package consists of 20 initiatives that will strengthen regulations to bring fair, affordable and accessible auto and homeowners’ insurance to Michigan citizens. The package addresses three primary areas of concern: rates, consumer protection and industry accountability. Senator Cherry’s bills include provisions to prevent excessive rates in areas where there is little or no competition and to expand and clarify consumer protections in the insurance code.

“Michigan citizens must be able to afford insurance,” said Cherry. “This package will provide immediate financial relief for every consumer.”

A recent report by the National Association of Insurance Commissioners on the average cost of auto insurance rates found that rates in Michigan are the tenth highest in the nation and the highest in the Midwest. Among other things, the Democratic reform package will:

- Require insurance companies to immediately roll back rates by 20 percent;

- Provide stronger tools to the Insurance Commissioner in determining where rates are excessive and ordering refunds where found;
- Provide flexibility in setting base rates to provide more affordably priced insurance;
- Establish an Office of Insurance Ratepayer Advocate to represent and protect the interests of consumers; and
- Prohibit insurance companies from using an individual's credit history or credit score for determining insurance rates.

"I urge the Republican leadership to take up our insurance legislation," said Cherry. "This is a chance to provide consumers with some real relief and help with their tight budgets. We must act quickly."

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